

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi [signature]
Chief Financial Officer

DATE: October 4, 2004

SUBJECT: Fiscal Impact Statement: "District of Columbia Emancipation
Day Amendment Act of 2004"

REFERENCE: Draft Legislation to be Introduced - No Number Available

Conclusion

Funds are not sufficient in the FY 2005 through FY 2008 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia. **Implementing the proposed legislation will result in unbudgeted personal services expenditures of \$1.1 million in FY 2005 and \$4.4 million in FY 2005 through FY 2008.**

Background

The proposed legislation makes April 16 of every year, beginning in CY 2005, a paid holiday for employees of the District government providing that for CY 2005 and CY 2006 the holiday is celebrated on the actual days of the week they fall on.

Financial Plan Impact

Funds are not sufficient in the FY 2005 through FY 2008 budget and financial plan as agreed to by the Mayor and the Council of the District of Columbia. Implementing the proposed legislation will result in unbudgeted personal services expenditures as the result of District government holiday premium pay policies and holiday premium pay provisions of collective bargaining agreements. Regardless of the day of the week, essential employees will receive a double-time premium earning an hour of pay for every

hour of their tour of duty.¹ Essential employees would still be entitled to night differential compensation and Sunday premium pay.

The table in Figure 1 presents the approximate personal services expenditures associated with implementing the proposed legislation.

Figure 1.

Expenditure Impact to the Financial Plan (\$ in millions)				
FY 2005	FY 2006	FY 2007	FY 2008	TOTAL
\$1.1	\$1.1	\$1.1	\$1.1	\$4.4

When the proposed holiday falls during the workweek, in addition to the costs for premium holiday pay there is an estimated productivity loss of \$1.8 million. This is the result of a single day's reduction in government goods and services delivery and will be an operational pressure on District agencies.

¹ District Personnel Manual (DPM) § 11B-44 §§ 7.3 Holiday Pay.